



DEPARTMENT OF
FINANCE

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Gene
Andre
Good
work!!*

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

JAN 10 2006

Mr. Will Kempton, Director
Department of Transportation
1120 N Street
Sacramento, CA 95814

RECEIVED

JAN 13 2006

DIRECTOR'S OFFICE

Dear Mr. Kempton:

Feasibility Study Report for the Construction Management System, Project Number 2660-415

The Department of Finance (Finance) has completed its review of the Department of Transportation (Caltrans) Feasibility Study Report (FSR) for the Construction Management System (CMS) project. Based on our review of the FSR, Finance approves the expenditure of resources for this project subject to the conditions specified in this letter.

| Approved Project Cost, Schedule, and Criticality Rating | | | |
|---|--------------|---------------------|----------------|
| Project Cost | One-time | Continuing | Total |
| | \$20,773,418 | \$4,196,781 | \$24,970,199 |
| | Annual M&O | M&O Begin Year | Funding Source |
| | \$1,358,356 | 2010 | State Hwy Acct |
| Project Schedule | Start Date | Implementation Date | PIER Date |
| | 7/1/2006 | 5/1/2010 | 6/1/2011 |
| Oversight Criticality Rating | | High | |

Caltrans proposes to procure through a non-competitive bid a commercial-off-the-shelf Construction Management System from the American Association of State Highway and Transportation Officials (AASHTO). Caltrans will use the AASHTO CMS as a model for developing specifications for a Caltrans specific CMS. Caltrans will then use these specifications to bid CMS as a custom developed system. The CMS will be used by Caltrans to manage record keeping for construction projects. Caltrans expects the CMS when fully implemented to generate \$18,800,000 in annual cost savings and avoidances and a reduction of 12.3 personnel years in staffing beginning in fiscal year 2012-13.

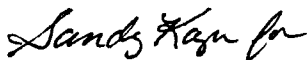
Caltrans is approved to proceed with this project through creation of the RFP for development of the Caltrans specific CMS. Caltrans will submit the RFP to Finance for review before proceeding with the procurement.

Please note that this approval does not in itself guarantee that funds or expenditure authority for the project will be available. The initiation and continuation of any information technology project remains subject to the availability of funding and legislative concurrence for funding and expenditure authority in accordance with the normal state budget process. In addition, we note that the 2006-07 Governor's Budget includes \$950,000 for this project.

This project is subject to the project reporting and oversight requirements of Finance. Should the project costs, benefits, or schedule change by 10 percent or more, or should the project scope or methodology change, a Special Project Report will be required. Refer to the Information Technology Project Oversight Framework to determine the minimum level of project management and oversight activities required for this project. At the conclusion of the project, please submit a Post Implementation Evaluation Report to Finance.

If you have any questions, please contact Greg Loe at 445-1777, extension 3255 or by e-mail at greg.loe@dof.ca.gov. Please refer to Project Number 2660-415 in any future correspondence regarding the project.

Sincerely,



Debbie D. Leibrock, Chief
Office of Technology Review,
Oversight, and Security



Mark Hill,
Program Budget Manager
Business, Transportation, and Housing

GL: wg
Project No. 2660-415
Log No. 2005-547

cc: Mr. Michael Liang, Deputy Secretary for Information Technology, Business, Transportation, and Housing Agency
Mr. Clark Kelso, State Chief Information Officer
Ms. Ann Barsotti, Chief Information Officer, Department of Transportation
Ms. Ann Evans, Chief, IT Program and Project Management Division, Department of Transportation
Mr. Michael Cohen, Director, State Administration, Legislative Analyst's Office
Ms. Rita Hamilton, Deputy Director for Procurement Division, Department of General Services
Ms. Michelle Ogata, Acting Acquisitions Branch Manager, Procurement Division, Department of General Services
Mr. Matt Paulin, Assistant Program Budget Manager, Department of Finance
Mr. Mark Monroe, Principal Budget Analyst, Department of Finance
Mr. Andrew Ruppenstein, Budget Analyst, Department of Finance
Mr. Jim Parks, Budget Analyst, Department of Finance
Ms. Deborah Reiger, State Information Security Officer, Department of Finance